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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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IN REPLY REFER TO:

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OCT - 5 1992

Honorable E. (Kika) de la Garza
House of Representatives
1401 Longworth House Office Building
Washington, D.C. 20515-4315

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Congressman de la Garza:

Thank you for your letter on behalf of Mr. Lonnie J. Eslick, Assistant Director for Data Services and Communications at the Institutional Division of the Texas Department of Criminal Justice in Huntsville, Texas, regarding the Commission's billed party preference proposal. Billed party preference is the term used to describe a proposal to change the way local telephone companies handle certain operator service calls.

Currently, if a caller places a "0+" operator services call (that is, the caller dials "0" and then a long-distance telephone number, without first dialing a carrier access code, such as 10-ATT), the call is carried by the operator services provider presubscribed to the telephone line from which the call originated. The presubscribed carrier for public payphones is chosen by the payphone owner or the owner of the premises on which the payphone is located. Operator service providers compete for payphone presubscription contracts by offering significant commissions to premises owners on long-distance traffic and then including those commission costs in their own rates to consumers.

In April 1992, the Commission adopted a Notice of Proposed Rulemaking to consider whether the current presubscription system should be replaced by a billed party preference methodology. Under billed party preference, all 0+ calls would be handled automatically by the carrier predesignated by the party paying for the call. For example, a credit card call would be handled by the carrier that issued the card. A collect call would be handled by the carrier presubscribed to the called line.

Because billed party preference would replace the current presubscription system for operator services calls, operator service providers would no longer be likely to pay significant commissions to premises owners for presubscription contracts. In addition, billed party preference could make operator services much more user friendly for the calling public. In particular, it would allow callers to place their operator services calls without dialing access codes, while ensuring that the party paying for each call -- as opposed to the payphone or premises owner -- would determine the operator service provider to carry it.

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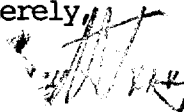
Honorable E. (Kika) de la Garza

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Because of these and other benefits that potentially could be offered by billed party preference, the Commission tentatively concluded in its Notice of Proposed Rulemaking that billed party preference is, in concept, in the public interest. At the same time, the Commission sought detailed information and comment on a comprehensive range of issues relating to this proposal.

The Commission has thus far received extensive comment on the billed party preference proposal. Let me assure you that the Commission will carefully consider all of the ramifications of this important proposal before taking final action on it. We will incorporate your letter and enclosure in the record of this proceeding so that it may be accorded proper consideration by Commission staff.

Sincerely,

A handwritten signature in dark ink, appearing to read "Cheryl A. Tritt", with a stylized flourish at the end.

Cheryl A. Tritt
Chief, Common Carrier Bureau

KIKA DE LA GARZA
16TH DISTRICT, TEXAS

Congress of the United States

House of Representatives

Washington, DC 20515-4315

14 September 1992

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Ms Linda Townsend Solheim
Director
Office of Legislative Affairs
Federal Communications Commission
1919 M Street, N W
Room 808
Washington, D C 20554

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SEP 23 1992
LEGISLATIVE AFFAIRS
FCC

Dear Ms Solheim

The attached correspondence from my constituent, Lonnie J Eslick, Assistant Director for Data Services and Communications at the Texas Department of Criminal Justice, is self-explanatory.

It is referred to you for your consideration and advice, commensurate with your policies. I would greatly appreciate your counsel in this regard, and I will look forward to hearing from you at my Washington office.

With my thanks and highest regards, I am

Sincerely

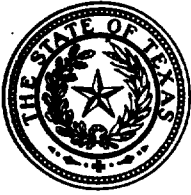

E (Kika) de la Garza, M C

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INFORMATIONAL CONFERENCE
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TEXAS DEPARTMENT OF CRIMINAL JUSTICE INSTITUTIONAL DIVISION

P. O. Box 99 • Huntsville, Texas 77342-0099

James A. Lynaugh
Executive Director

August 26, 1992

LONNIE J. ESLICK
Assistant Director for
Data Services and
Communications

Ms. Donna Searcy, Secretary
Federal Communications Commission
1919 M Street, N W Room 222
Washington, D.C. 20554

Re: "Billed Party Preference " Proposal, Docket 92-77

Dear Ms. Searcy,

It has been brought to my attention that the Federal Communications Commission is now considering a proposal entitled, "Billed Party Preference", Docket 92-77. This proposal appears to alter the manner in which a long distance carrier is chosen on collect calls from correctional facilities. Our organization opposes this proposal for the following reasons:

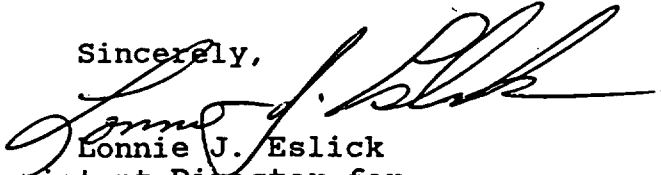
1. There is a tremendous potential for excessive telephone fraud resulting in increased financial burdens on the public. This pitfall is coupled with potentially devastating public relations problems within the correctional area.
2. The potential to receive special services (i.e. "call blocking", "phone number searches", etc.) that are often not provided by some local telephone companies and/or long distance companies, would be greatly decreased.
3. A loss of revenue from commissions which are utilized by government agencies to fund administrative and operational expenses, as well as, special programs for inmates (i.e. education, recreation, etc.). These programs would not normally be funded without the present revenues.
4. "Call blocking" is one of the specialized services that potentially could prove to be unavailable to a correctional facility. As you know, blocking calls to specific numbers and/or allowing calls only to specific numbers can:
 - A. Prevent or reduce the potential for harassing calls to witnesses, judges, prosecutors, etc.
 - B. Prevent harassing calls to victims.
 - C. Prevent or reduce other types of criminal activity via the telephone.
 - D. Prevent or reduce criminal fraud.

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Ms. Donna Searcy
August 26, 1992
Page Two

In summary, we urge the Commission to scrutinize all aspects of this issue and its potentially negative impact on the control and monitoring of long distance calls from within correctional facilities.

Sincerely,


Lonnie J. Eslick
Assistant Director for
Data Services and Communications

LJE:lmg

cc: The Honorable Alfred C. Sikes, Chairman
The Honorable Sherrie Marshall
The Honorable James H. Quello
The Honorable Ervin S. Dugan
The Honorable Alex McMillan
Mr. Gary Phillips
The Honorable Lloyd Bentsen
The Honorable Phil Gramm
The Honorable Charles Wilson
The Honorable Jim Chapman
The Honorable Ralph M. Hall
The Honorable John Bryant
The Honorable Joe Barton
The Honorable Bill Archer
The Honorable Jack Fields
The Honorable Jack Brooks
The Honorable J.J. Pickle
The Honorable Chet Edwards
The Honorable Pete Geren
The Honorable Bill Sarpalius
The Honorable Greg Laughlin
✓ The Honorable E. Kiki de la Garza
The Honorable Ronald D. Coleman
The Honorable Charles W. Stenholm
The Honorable Craig Washington
The Honorable Larry Combest
The Honorable Henry B. Gonzalez
The Honorable Lamar S. Smith
The Honorable Tom DeLay
The Honorable Albert G. Bustamante
The Honorable Martin Frost
The Honorable Michael A. Andrews
The Honorable Richard K. Armey
The Honorable Soloman P. Ortiz
Mr. Vincent Townsend
The Honorable Andrew C. Barrett